

ARIZONA DEPARTMENT OF REVENUE

MEMORANDUM

DATE: **October 12, 1999**

FROM: **THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS**

AUGUST 1999 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>August 1999</u>	Fiscal Year <u>Total</u>
Individual Income Tax		
Net Collections	\$142,300,485	\$274,681,271
Percent Change	1.9%	4.0%
Corporate Income Tax		
Net Collections	\$906,062	\$18,080,574
Percent Change	(91.0%)	(34.2%)
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$221,104,146	\$456,868,701
Change	8.1%	9.0%
Total Big Three Tax Types		
Net Collections	\$364,310,693	\$749,630,546
Percent Change	2.8%	5.5%

TAX FACTS

August 1999

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	August 1999	August 1998	% Change
Gross Collections	\$13,701,875	\$11,292,141	21.3%
Withholding	\$179,201,951	\$172,086,534	4.1%
Refunds	(\$19,127,425)	(\$15,359,967)	24.5%
Urban Revenue Sharing	(\$31,475,916)	(\$28,359,221)	11.0%
Net Collections	\$142,300,485	\$139,659,487	1.9%
	Fiscal Year Total (99/00)	Fiscal Year Total (98/99)	% Change
Gross Collections	\$22,193,771	\$21,830,166	1.7%
Withholding	\$345,781,017	\$326,819,668	5.8%
Refunds	(\$30,341,685)	(\$27,694,891)	9.6%
Urban Revenue Sharing	(\$62,951,832)	(\$56,718,443)	11.0%
Net Collections	\$274,681,271	\$264,236,501	4.0%

Federal Retiree Program

The Federal Retiree Project is drawing to a close. Refunds sent out directly as a result of the Federal Retiree Program is \$2,177 for August and \$2,945 for the fiscal year. The total revised estimated cost of the FRP project is \$162.1 million. The estimate for the final credit payout for the remaining credit holders is \$0.151 million.

Federal Employees Retirement Contribution Program

The Federal Employees Retirement Contribution Project is also nearing completion. Refunds issued as a result of the FERC project totaled \$4,102 in August and \$5,671 for the fiscal year. In addition to this amount, \$0 of available credits were used to cover outstanding agency debts. The law firm of Bonn, Lusher, Padden & Wilkins has obtained a temporary restraining order requiring the department to withhold 20% of each claimants refund based on the law firm's claim that they should be entitled to fees from each claimant that benefited from their work. This amount is equal to \$820 for the month of August and \$1,134 for the fiscal year.

Individual Income Tax Document Count

In calendar year 1998, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	TOTAL
#	38,237	1,142,300	66,008	102,748	280	38,999	569,223	18,721	1,976,516
%	1.9	57.8	3.3	5.2	0.0	2.0	28.8	0.9	

In calendar year 1999 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	TOTAL
#	33,164	1,247,102	59,042	100,720	55	34,179	332,391	17,187	161,851	1,985,691
%	1.7	62.8	3.0	5.1	0.0	1.7	16.7	0.9	8.2	

The 1,985,691 returns filed through August 1999 compares to 1,888,165 filed through August 1998, an annual increase of 5.2%. This count represents multiple tax years. For tax year 1998 filed in 1999, 1,921,752 returns have been filed, this represents a 5.1% increase from 1997 returns filed in 1998 during the same period of time.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made from taxpayers who have filed for both calendar years to be compared and who have indicated the same marital status on the tax returns for both years. The Department of Revenue has received 1,224,192 returns in calendar year 1999 for tax year 1998 from filers who also have returns on record from calendar year 1997 with the same marital status. On average, these filers experienced an 8.3% growth in FAGI and an 11.3% increase in tax liability. More specifically, 32.5% of these filers experienced a decrease in tax liability; on average a decrease of 37.0% with a corresponding average decrease in FAGI of 20.7%. Filers showing an increase in tax liability totaled 687,239, or 56.1%, with an average FAGI increase of 31.1% and an average tax liability increase of 57.0%.

Average Individual Income Tax Refund

	Average	Number
1999 YTD	\$516.79	1,273,488
1998 YTD	\$485.48	1,216,825
% Change	6.4%	4.7%

"New" Filers in Calendar Year 1999

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 1999 through the end of August. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 177,477 "new" returns have been filed thus far in 1999, representing approximately 219,892 persons, not including dependents. The average Federal Adjusted Gross Income for these 177,477 returns is \$19,623, with an average tax liability of \$316. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 22.6% had a married filing joint filing status, 9.3% claimed a 65 And Over Exemption and 40.9% claimed dependents.

Individual Income Tax Estimated Payments

Beginning in 1990, individuals are required to make estimated payments to Arizona if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. The total estimated payments on the 140ES for tax year 1998 were \$326.1 million, for an average of \$1,691. A total additional \$52.8 million in estimated payments was received as refunds on the 1997 tax returns applied to 1998 estimates, for an average of \$1,758. Estimated payments received through August for tax year 1999 were as follows:

8/99	140ES payment	\$1,775,258	Cumulative	\$110,796,334
8/98	140ES payment	\$4,557,193	Cumulative	\$107,145,576
	percent change	(61.0%)		3.4%
8/99	Average payment	\$850	Cumulative	\$1,161
8/98	Average payment	\$910	Cumulative	\$1,206
	percent change	(6.6%)		(3.7%)
8/99	applied refund	\$4,349,247	Cumulative	\$27,668,708
8/98	applied refund	\$5,650,926	Cumulative	\$26,745,838
	percent change	(23.0%)		3.5%
total 8/99		\$6,124,505	Cumulative	\$138,465,043
total 8/98		\$10,208,119	Cumulative	\$133,891,414
	percent change	(40.0%)		3.4%

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 1998 through March 1999, \$447,064,035 was received for the first quarter of 1998. The latest complete quarter (15 months of information has been compiled) is the second quarter of 1998, which shows a growth rate of 13.2% in withholding payments over the second quarter of 1997. Growth in quarters for which information is still being gathered is as follows:

3 rd Quarter 1998	11.3%	2 nd Quarter 1999	10.3%
4 th Quarter 1998	11.0%	3 rd Quarter 1999	9.9%
1 st Quarter 1999	6.4%		

The comparisons made above were against the same number of months of collections in the previous year. In other words, the fourteenth month of information available for the third quarter of 1998 was compared against the fourteenth month of collections for the third quarter of 1997. Current choices for withholding are 0%, 10%, 17%, 20%, 22%, 28% or 32% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit if you are age 65 or older or if you received Title 16, SSI payments. Additionally, your household income must be below \$3,751 if you live alone, or \$5,501 if you live with another person, to qualify for this credit. The maximum credit is \$502.

	Number	\$	Average
Calendar Year 1999	17,122	5,255,939	306.97
Calendar Year 1998	18,482	5,535,391	299.50
% Change	(7.4%)	(5.0%)	2.5%

Contributions on the Individual Income Tax Return

Through August 1999 individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	12,087	\$152,845	\$12.65
Child Abuse	13,405	\$190,521	\$14.21
Special Olympics	6,708	\$71,598	\$10.67
Neighbors Helping	4,488	\$40,634	\$9.05
AID to Education	334	\$38,828	\$116.25
Domestic Violence Shelter	10,442	\$141,746	\$13.57
Democratic Party	939	\$13,596	\$14.48
Republican Party	653	\$12,625	\$19.33
Libertarian Party	195	\$3,554	\$18.23
Reform Party	43	\$616	\$14.33

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	August 1999	August 1998	% Change
Gross Collections	\$11,989,504	\$14,167,094	(15.40%)
Refunds	(\$11,083,442)	(\$4,066,281)	172.6%
Net Collections	\$906,062	\$10,100,814	(91.0%)

	Fiscal Year Total (99/00)	Fiscal Year Total (98/99)	% Change
Gross Collections	\$33,361,114	\$34,295,828	(2.7%)
Refunds	(\$15,280,540)	(\$6,836,224)	123.5%
Net Collections	\$18,080,574	\$27,495,604	(34.2%)

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

August 1999	\$7,250,099	Calendar Year Total	\$288,629,627
August 1998	\$7,513,881	Calendar Year Total	\$263,367,495
% Change	(3.5%)	% Change	9.6%

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for August 1999 and for the fiscal year.

Size of Payment →	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 and more	Total	% chg
August 1999	67	7	6	3			83	(4.6)
August 1998	69	9	6	3			87	
CY 1999	1,758	233	240	35	27	2	2,295	5.2
CY 1998	1,604	245	261	45	24	2	2,181	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 99/00 by corporate fiscal year. For example, in FY 98/99, 3.8% of the refund dollars paid were for corporate fiscal years ending in 1994 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	94 & Prior	95	96	97	98	99
FY 98/99	3.8%	2.1%	3.9%	66.5%	23.1%	0.6%

Corporate Fiscal Year-End:	95 & Prior	96	97	98	99	00
FY 99/00	6.1%	0.5%	3.2%	85.7%	4.4%	0.0%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

Aug 1999	\$5,742,781	Calendar Year Total	\$35,191,848
Aug 1998	\$8,274,607	Calendar Year Total	\$34,123,600
% Change	(30.6%)	% Change	3.1%

Corporate Income Tax Document Count

The Arizona Department of Revenue received 91,679 corporate returns showing a fiscal year-end of 1997. The type of return received is indicated below:

#	120X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)
	464	51,681	39,178	356

%	0.5	56.4	42.7	0.4
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Through August 1999, 71,325 documents have been received for a fiscal year-end of 1998, distributed as follows:

	<u>120 X (amended)</u>	<u>120 (regular)</u>	<u>120S (S corp)</u>	<u>99T (exempt org.)</u>
#	233	38,208	32,605	279
%	0.3	53.6	45.7	0.4

The figures shown above for the 1998 returns are most meaningful when compared to 1997 returns received during the same period of time in the previous year. Through August 1998 the Arizona Department of Revenue received 70,533 documents with a fiscal year-end of 1997. This represents an increase of 1.1% in corporate returns received at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed is 15.8% of net income tax collections two years earlier. For example, the money being distributed in Fiscal Year 1999/2000 is based on net income tax collections in Fiscal Year 1997/1998. Amounts returned for August 1999 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many categories of tax. These categories include retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non shared. In contrast, contracting is 20% distribution base and 80% non shared. Mining severance is 80% distribution base and 20% non shared. Use tax is 100% non shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax, jet fuel use tax, and over 10 million gallon jet fuel use tax. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	<u>August 1999</u>	<u>August 1998</u>	<u>% change</u>
Distribution Base	\$91,252,816	\$83,937,521	8.7
Non shared	175,444,355	162,868,034	7.7
Use Tax	14,186,695	12,742,764	11.3
Other Revenues	33,877,402	25,599,876	32.3
Total Collections	\$314,761,268	\$285,148,196	10.4

	<u>Fiscal Year Total (99/00)</u>	<u>Fiscal Year Total (98/99)</u>	<u>% change</u>
Distribution Base	\$190,566,721	\$174,881,701	9.0
Non shared	363,945,125	334,849,443	8.7
Use Tax	27,197,113	23,932,434	13.6
Other Revenues	69,448,783	52,112,493	33.3
Total Collections	\$651,157,743	\$585,776,071	11.2

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund. All of the non shared portion and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non shared portion of transaction privilege and severance tax, use tax and 34.49% of the distribution base collections. "Other" revenues are returned to the administering authority.

	August 1999	August 1998	% change
Retained by State	\$221,104,146	\$204,560,849	8.1
Returned to Counties	36,966,516	34,003,090	8.7
Returned to Cities	22,813,204	20,984,380	8.7
Other	33,877,402	25,599,876	32.3
Total Collections	\$314,761,268	\$285,148,196	10.4

	Fiscal Year Total (99/00)	Fiscal Year Total (98/99)	% change
Retained by State	\$456,868,701	\$419,098,576	9.0
Returned to Counties	77,198,579	70,844,577	9.0
Returned to Cities	47,641,680	43,720,425	9.0
Other	69,448,783	52,112,493	33.3
Total Collections	\$651,157,743	\$585,776,071	11.2

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	August 1999	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	5%	(\$55,133)	N/A	\$300,036	(50.7)
Non-Metal Mining/Oil & Gas	3.125%	309,306	(46.2)	876,547	(24.3)
Utilities	5%	27,406,799	3.2	50,402,362	5.2
Communications	5%	9,557,588	14.2	19,312,783	13.9
Railroads/Aircraft	5%	101,071	(45.7)	228,034	(33.8)
Private Car/Pipelines	5%	(141,164)	N/A	(83,239)	N/A
Publishing	5%	525,272	(2.3)	904,477	(14.8)
Printing	5%	1,570,255	(4.3)	3,452,938	3.2
Restaurants/Bars	5%	21,920,375	8.2	45,552,566	8.3
Amusements	5%	3,047,875	39.6	6,666,317	28.0
Commercial Lease	0%	151,930	2,096.2	173,227	(16.4)
Rental of Personal Property	5%	12,873,224	(0.9)	27,276,857	0.3
Contracting	3.75% - 5%	44,272,188	5.6	93,409,872	7.5
Feed Wholesale	Repealed	0	N/A	(36)	N/A
Retail	5%	137,258,126	10.4	290,058,045	11.0
Advertising	0	0	0.0	0	0.0
Mining Severance	2.5%	1,639,102	(10.5)	3,018,385	(16.5)
Timber Severance	\$2.13/\$1.51 per 1000 board ft	402	(80.5)	2,340	(63.0)
Hotel/Motel	5.5%	5,953,112	26.1	12,309,705	10.5
Membership Camping	5%	3,202	(5.1)	7,600	72.7
Use/Use Inventory	5%	14,187,022	11.2	27,197,629	13.6
Rental Occupancy Tax	3%	6,855	(28.7)	13,879	(3.0)
Jet Fuel Tax	\$.0305/\$.0105 gal	274,047	(1.8)	611,438	13.9
Total		\$280,861,456	8.2	\$581,691,762	9.0

The Use/Use Inventory category shown above includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

	August 1999	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	(\$1,102,657)	N/A	\$6,000,720	(50.7)
Non-Metal Mining/Oil & Gas	9,897,788	(46.2)	28,049,510	(24.3)
Utilities	548,135,978	3.2	1,008,047,240	5.2
Communications	191,151,753	14.9	386,255,652	13.9
Railroads/Aircraft	2,021,425	(45.7)	4,560,687	(33.8)
Private Car/Pipelines	(2,823,282)	N/A	(1,664,788)	N/A
Publishing	10,505,446	(2.3)	18,089,531	(14.8)
Printing	31,405,104	(4.3)	69,058,751	3.2
Restaurants/Bars	438,407,500	8.2	911,051,327	8.3
Amusements	60,957,510	39.6	133,326,335	28.0
Commercial Lease	9,384,255	3,373.1	10,676,057	30.8
Rental of Personal Property	257,464,489	(0.9)	545,537,149	0.3
Contracting	885,444,257	5.6	1,868,198,447	7.5
Feed Wholesale	(2)	N/A	(7,712)	N/A
Retail	2,745,162,910	10.4	5,801,164,194	11.0
Advertising	0	0.0	0	0.0
Mining Severance	65,564,085	(10.5)	120,735,418	(16.5)
Timber Severance	0	0.0	0	0.0
Hotel/Motel	108,238,401	26.1	223,812,826	10.5
Membership Camping	64,036	(5.1)	151,996	72.7
Use/Use Inventory	282,856,653	11.0	541,511,388	13.2
Rental Occupancy Tax	228,514	(28.7)	462,646	(3.0)
Total	\$5,642,964,162	8.1	\$11,675,017,374	8.8

The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, taxable income cannot be computed. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In August 1999, 10,423,262 gallons of jet fuel were taxed, a 8.4% increase from the 9,612,476 reported for August 1998. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Accounting Credit

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in August 1999 was \$1,190,703 a 7.0% increase from the \$1,112,779 claimed in August 1998. Accounting credits claimed-to-date in FY 99/00 equals \$2,499,696 a 13.4% increase from the \$2,204,205 claimed during the same period in FY 98/99.

¹These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

Taxable Sales by SIC Code Range

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Smitty's might be considered both a grocery store or a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales which do not have a primary retail SIC code.

<u>SIC Code Range</u>	<u>Description</u>	<u>August 1999</u>	<u>August 1998</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$167,925,571	\$151,395,403	10.9%
5311-5399	general merchandise stores	\$241,972,054	\$251,131,894	(3.6%)
5411-5499	food stores (no food sales)	\$267,578,629	\$221,207,814	21.0%
5511-5521	motor vehicle dealers	\$510,680,746	\$445,041,912	14.7%
5531-5599	misc. automotive, motorcycle & boat stores	\$146,397,068	\$139,335,621	5.1%
5611-5699	apparel & accessory stores	\$138,482,974	\$128,486,489	7.8%
5712-5733	furniture, home furnishings & equipment stores	\$151,780,817	\$131,971,010	15.0%
5912-5949	misc. retail stores	\$184,726,714	\$164,632,191	12.2%
	TOTAL	\$2,745,162,510	\$2,487,155,647	10.4%

<u>SIC Code Range</u>	<u>Description</u>	<u>FY2000</u>	<u>FY 1999</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$338,231,473	\$309,326,233	9.3%
5311-5399	general merchandise stores	\$573,014,583	\$527,713,229	8.6%
5411-5499	food stores (no food sales)	\$463,807,899	\$437,617,301	6.0%
5511-5521	motor vehicle dealers	\$1,052,222,242	\$894,762,641	17.6%
5531-5599	misc. automotive, motorcycle & boat stores	\$323,471,501	\$299,697,825	7.9%
5611-5699	apparel & accessory stores	\$330,081,250	\$300,799,952	9.7%
5712-5733	furniture, home furnishings & equipment stores	\$314,929,010	\$278,091,919	13.2%
5912-5949	misc. retail stores	\$382,499,397	\$352,009,449	8.7%
	TOTAL	\$5,801,160,894	\$5,225,479,462	11.0%

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for August 1999 is shown in the County Share column.

	Dist. Base Collections	County Share	% of Total	FYTD County Share	% Chg
Apache	\$209,013	\$304,616	0.8	\$640,646	8.8
Cochise	1,289,150	716,006	1.9	1,476,411	9.5
Coconino	3,113,006	1,199,240	3.2	2,448,822	8.6
Gila	661,264	326,822	0.9	686,996	(0.8)
Graham	336,772	189,169	0.5	391,227	3.0
Greenlee	685,349	276,003	0.7	554,213	(4.3)
La Paz	218,209	115,826	0.3	239,605	3.8
Maricopa	60,484,017	23,069,560	62.4	48,380,680	9.2
Mohave	2,192,068	1,048,272	2.8	2,148,652	7.7
Navajo	1,540,937	645,664	1.7	1,326,467	8.3
Pima	13,753,580	5,834,698	15.8	12,206,567	10.2
Pinal	1,705,899	909,404	2.5	1,892,861	6.4
Santa Cruz	508,638	241,504	0.7	501,265	7.3
Yavapai	2,850,237	1,254,596	3.4	2,559,616	9.5
Yuma	1,704,677	835,135	2.3	1,744,552	10.0
Total	\$91,252,816	\$36,966,516		\$77,198,579	9.0

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for August 1999 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during August 1999 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in November, 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax
Apache		\$61,950					
Cochise		\$356,039					
Coconino		\$816,810	\$491,536				
Gila	\$148,367	\$141,901					
Graham		\$87,344					
Greenlee		\$43,091					
La Paz		\$63,865	\$63,919				
Maricopa	\$19,263,754		\$7,016,363	\$405,700	\$9,096		
Navajo		\$401,088					
Pima				\$110,119		\$5,835	
Pinal	\$532,933	\$484,845					
Santa Cruz		\$133,036					
Yavapai		\$756,961					
Yuma		\$488,959	\$487,899				

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in August 1999. The table compares the receipts to August 1998 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	August 1999	August 1998	% Change
Spirituos	\$1,332,716	\$1,308,337	1.9%
Vinous	\$462,741	\$470,617	(1.7%)
Malt	\$1,867,922	\$1,745,592	7.0%
Cigarette	\$11,535,524	\$14,589,813	(20.9%)
Other Tobacco	\$318,186	\$267,395	19.0%
Tobacco Licenses	\$1,225	\$550	122.7%
Total	\$15,518,314	\$18,382,304	(15.6%)

	Fiscal Year Total (99/00)	Fiscal Year Total (98/99)	% Change
Spirituos	\$2,786,744	\$2,919,974	(4.6%)
Vinous	\$1,071,565	\$1,133,749	(5.5%)
Malt	\$3,664,917	\$3,531,195	3.8%
Cigarette*	\$25,188,587	\$27,216,101	(7.4%)
Other Tobacco	\$679,377	\$605,720	12.2%
Tobacco Licenses	\$5,575	\$4,950	12.6%
Total	\$33,396,764	\$35,411,689	(5.7%)

*In July, 1999, \$380,000 of Cigarette and Tobacco tax collections was allocated for administrative expenses and is not reflected in Fiscal year collections.

General Fund revenues from luxury taxes:

	August 1999	FY (99/00)
Spirituos	\$932,901	\$1,950,721
Vinous	\$115,440	\$267,422
Malt	\$466,980	\$916,229
Cigarette	\$3,189,394	\$6,942,830
Other Tobacco	\$49,319	\$105,303
Tobacco Licenses	\$1,225	\$5,575
Total	\$4,755,260	\$10,188,080

Other dedicated revenues from luxury taxes:

	August 1999	FY (99/00)
Correction Fund revenues	\$1,879,377	\$3,897,808
Health Care Fund revenues	\$8,167,004	\$17,846,675
Wine Promotional Fund revenues	\$981	\$1,875
Drug Treatment & Education Fund revenues	\$512,633	\$1,047,301
Corrections Revolving Fund revenues	\$203,059	\$415,025

Estate Tax

	August 1999	\$5,297,478	Fiscal year To Date	\$8,202,744
	August 1998	<u>\$4,221,525</u>	Fiscal year To Date	<u>\$9,452,758</u>
% Change		25.5%	% Change	(13.2%)

Private Car

	August 1999	\$0	Fiscal year To Date	\$56
	August 1998	<u>\$0</u>	Fiscal year To Date	<u>\$0</u>
% Change		0.0%	% Change	N/A

Bingo

	August 1999	\$59,062	Fiscal year To Date	\$118,246
	August 1998	<u>\$53,231</u>	Fiscal year To Date	<u>\$132,882</u>
% Change		11.0%	% Change	(11.0%)

Unclaimed Property

	August 1999	(\$487,610)	Fiscal year To Date	\$2,110,307
	August 1998	<u>(\$249,299)</u>	Fiscal year To Date	<u>\$169,383</u>
% Change		95.6%	% Change	1,145.9%

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

Table 1

"NEW" RETURNS FILED IN 1999 FOR TAX YEAR 1998

Federal Adjusted Gross Income Bracket	Number of Returns	% of total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	961	0.5%	-\$26,352	\$2	24.5%	65.6%	5.3%	4.5%	16.6%	16.0%
\$0-\$5,000	35,208	19.8%	\$2,732	\$3	4.7%	78.7%	14.8%	1.8%	4.0%	20.1%
\$5,000-\$10,000	40,717	22.9%	\$7,467	\$26	9.1%	60.6%	28.0%	2.4%	7.2%	37.0%
\$10,000-\$15,000	28,237	15.9%	\$12,398	\$68	19.5%	38.4%	38.8%	3.2%	11.1%	53.3%
\$15,000-\$20,000	20,080	11.3%	\$17,311	\$140	28.3%	31.9%	35.6%	4.1%	12.4%	54.6%
\$20,000-\$25,000	12,853	7.2%	\$22,331	\$264	31.3%	33.6%	30.0%	5.1%	9.8%	52.8%
\$25,000-\$30,000	9,044	5.1%	\$27,370	\$413	33.4%	39.3%	22.2%	5.1%	9.2%	46.1%
\$30,000-\$40,000	11,175	6.3%	\$34,495	\$588	40.7%	37.3%	17.4%	4.6%	10.4%	44.3%
\$40,000-\$50,000	6,468	3.6%	\$44,610	\$831	50.5%	32.1%	14.1%	3.3%	13.1%	45.8%
\$50,000-\$75,000	7,613	4.3%	\$60,177	\$1,224	62.6%	25.6%	9.6%	2.2%	15.5%	43.8%
\$75,000-\$100,000	2,627	1.5%	\$85,245	\$1,928	70.1%	21.5%	6.6%	1.8%	18.7%	42.0%
\$100,000-\$200,000	1,975	1.1%	\$130,548	\$3,499	70.9%	21.1%	6.6%	1.5%	23.0%	38.8%
\$200,000-\$500,000	408	0.2%	\$288,367	\$9,856	64.0%	27.1%	5.3%	3.6%	24.4%	30.0%
\$500,000-\$1,000,000	69	0.0%	\$664,456	\$25,722	67.6%	26.8%	2.8%	2.8%	25.4%	23.9%
\$1,000,000 and over	42	0.0%	\$2334,319	\$93,884	57.1%	26.2%	4.8%	11.9%	16.7%	19.0%
Total	177,477		\$19,623	\$316	22.6%	49.2%	25.1%	3.1%	9.3%	40.9%

An asterisked line indicates that the information cannot be released due to confidentiality laws.

NEW RETURNS FILED IN 1998 FOR TAX YEAR 1997*

Total	218,569		\$17,161	\$280	19.7%	58.9%	18.4%	3.1%	8.0%	31.7%
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"NEW" Returns means that there was no return filed by the taxpayer in the previous filing year.

This may or may not mean the filer is new to the State.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
August 1999

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,552,794	168,176
Eagar	\$41,688	4,515	Surprise	99,136	10,737
Springerville	17,728	1,920	Tempe	1,420,252	153,821
St. Johns	31,023	3,360	Tolleson	40,958	4,436
<u>Cochise County</u>			Wickenburg	43,996	4,765
Benson	\$37,994	4,115	Youngtown	24,874	2,694
Bisbee	60,015	6,500	<u>Mohave County</u>		
Douglas	136,466	14,780	Bullhead City	\$248,741	26,940
Huachuca City	17,912	1,940	Colorado City	29,454	3,190
Sierra Vista	349,152	37,815	Kingman	154,831	16,769
Tombstone	12,973	1,405	Lake Havasu City	335,025	36,285
Willcox	32,621	3,533	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	\$46,812	5,070
Flagstaff	\$503,022	54,480	Pinetop-Lakeside	30,479	3,301
Fredonia	11,541	1,250	Show Low	64,521	6,988
Page	73,404	7,950	Snowflake	38,041	4,120
Williams	24,837	2,690	Taylor	24,514	2,655
<u>Gila County</u>			Winslow	99,533	10,780
Globe	\$65,168	7,058	<u>Pima County</u>		
Hayden	8,402	910	Marana	\$56,451	6,114
Miami	18,836	2,040	Oro Valley	181,496	19,657
Payson	101,602	11,004	Sahuarita	21,338	2,311
Winkelman	6,242	676	South Tucson	50,339	5,452
<u>Graham County</u>			Tucson	4,100,792	444,138
Pima	\$17,081	1,850	<u>Pinal County</u>		
Safford	81,002	8,773	Apache Junction	\$180,277	19,525
Thatcher	36,536	3,957	Casa Grande	192,788	20,880
<u>Greenlee County</u>			Coolidge	65,140	7,055
Clifton	\$27,653	2,995	Eloy	82,314	8,915
Duncan	6,786	735	Florence	105,166	11,390
<u>La Paz County</u>			Kearny	22,667	2,455
Parker	\$27,238	2,950	Mammoth	18,097	1,960
Quartzsite	18,512	2,005	Superior	32,178	3,485
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	\$210,248	22,771	Nogales	\$190,711	20,655
Buckeye	44,845	4,857	Patagonia	8,725	945
Carefree	21,107	2,286	<u>Yavapai County</u>		
Cave Creek	28,401	3,076	Camp Verde	\$68,925	7,465
Chandler	1,222,100	132,360	Chino Valley	57,966	6,278
El Mirage	53,008	5,741	Clarkdale	24,006	2,600
Fountain Hills	130,612	14,146	Cottonwood	60,431	6,545
Gila Bend	16,130	1,747	Jerome	4,247	460
Gilbert	547,877	59,338	Prescott	287,022	31,086
Glendale	1,686,112	182,615	Prescott Valley	148,127	16,043
Goodyear	85,407	9,250	Sedona	82,120	8,894
Guadalupe	50,395	5,458	<u>Yuma County</u>		
Litchfield Park	34,523	3,739	San Luis	\$74,105	8,026
Mesa	3,121,885	338,117	Somerton	53,774	5,824
Paradise Valley	114,934	12,448	Wellton	10,397	1,126
Peoria	688,470	74,565	Yuma	579,768	62,792
Phoenix	10,612,738	1,149,417			
Queen Creek	28,364	3,072	TOTAL	\$31,475,916	3,409,012

TABLE 3

Transaction Privilege and Severance Tax Returned to Cities/Towns

August 1999

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Queen Creek	\$20,558	3,072
Eagar	\$30,215	4,515	Scottsdale	1,125,439	168,176
Springerville	12,849	1,920	Surprise	71,852	10,737
St. Johns	22,485	3,360	Tempe	1,029,374	153,821
<u>Cochise County</u>			Tolleson	29,686	4,436
Benson	\$27,538	4,115	Wickenburg	31,888	4,765
Bisbee	43,498	6,500	Youngtown	18,028	2,694
Douglas	98,908	14,780	<u>Mohave County</u>		
Huachuca City	12,983	1,940	Bullhead City	\$180,283	26,940
Sierra Vista	253,059	37,815	Colorado City	21,348	3,190
Tombstone	9,402	1,405	Kingman	112,219	16,769
Willcox	23,643	3,533	Lake Havasu City	242,820	36,285
<u>Coconino County</u>			<u>Navajo County</u>		
Flagstaff	\$364,582	54,480	Holbrook	\$33,929	5,070
Fredonia	8,365	1,250	Pinetop/Lakeside	22,090	3,301
Page	53,202	7,950	Show Low	46,764	6,988
Williams	18,002	2,690	Snowflake	27,571	4,120
<u>Gila County</u>			Taylor	17,767	2,655
Globe	\$47,232	7,058	Winslow	72,140	10,780
Hayden	6,090	910	<u>Pima County</u>		
Miami	13,652	2,040	Marana	\$40,915	6,114
Payson	73,639	11,004	Oro Valley	131,545	19,657
Winkelman	4,524	676	Sahuarita	15,465	2,311
<u>Graham County</u>			South Tucson	36,485	5,452
Pima	\$12,380	1,850	Tucson	2,972,184	444,138
Safford	58,709	8,773	<u>Pinal County</u>		
Thatcher	26,480	3,957	Apache Junction	\$130,662	19,525
<u>Greenlee County</u>			Casa Grande	139,730	20,880
Clifton	\$20,043	2,995	Coolidge	47,212	7,055
Duncan	4,919	735	Eloy	59,659	8,915
<u>La Paz County</u>			Florence	76,222	11,390
Parker	\$19,741	2,950	Kearny	16,429	2,455
Quartzsite	13,418	2,005	Mammoth	13,116	1,960
<u>Maricopa County</u>			Superior	23,322	3,485
Avondale	\$152,384	22,771	<u>Santa Cruz County</u>		
Buckeye	32,503	4,857	Nogales	\$138,224	20,655
Carefree	15,298	2,286	Patagonia	6,634	945
Cave Creek	20,585	3,076	<u>Yavapai County</u>		
Chandler	885,757	132,360	Camp Verde	\$49,956	7,465
El Mirage	38,419	5,741	Chino Valley	42,013	6,278
Fountain Hills	94,665	14,146	Clarkdale	17,399	2,600
Gila Bend	11,691	1,747	Cottonwood	43,799	6,545
Gilbert	397,092	59,338	Jerome	3,078	460
Glendale	1,222,065	182,615	Prescott	208,028	31,086
Goodyear	61,901	9,250	Prescott Valley	107,360	16,043
Guadalupe	36,525	5,458	Sedona	59,519	8,894
Litchfield Park	25,021	3,739	<u>Yuma County</u>		
Mesa	2,262,688	338,117	San Luis	\$53,710	8,026
Paradise Valley	83,302	12,448	Somerton	38,974	5,824
Peoria	498,991	74,565	Wellton	7,535	1,126
Phoenix	7,691,931	1,149,417	Yuma	420,206	62,792

	TOTAL	\$22,813,204	3,409,012
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*The Office of Economic Research & Analysis
Arizona Department of Revenue
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